

CONCERNING THE CANAL

Commissioner Edmonds Complains of Unfair Treatment at the Annual Meeting.

The State of Maryland Gave the District
and General Government No Show.

Under Its Management the Property is Deteriorating
and Its Finances Are in Bad Shape,

While Its Railway Competitor is Growing Rich and Boastful.

Commissioner Edmonds, as the representative of the United States, at the meeting of

of the United States, at the meeting of the Chesapeake and Ohio Canal company, last week, has written a letter to the secretary of the Treasury, in which he was the subject. Mr. Edmunds was also the proxy for the district, which holds \$125,000 of the stocks. He will make a report to the board of commissioners to-day on behalf of the district. The following is the letter:

WASHINGTON, D. C., June 8.—TO THE HONORABLE SECRETARY OF THE TREASURY.—SIR: Having been intrusted by you to cast the vote of the United States at the meeting of the stockholders of the Chesapeake and Ohio Canal company, held at Washington, June 4, to elect a president and board of directors, I have the honor to report that the hopes and expectations entertained by you and the stockholders, that the canal would be completed, would be placed in a position to fail more earnestly after canal affairs, have looked.

The district commissioners having engaged to devote their whole time to district affairs, and the want of other persons to attend to canal question, which is but a continuation of the navigation of the Potomac to the coal fields and farms of Maryland and West Virginia. Aside from the interest which the United States has in the canal, it is a

United States and district have in the canal a stockholder, the majority of nearly the same million dollars, and the canal is now purchased of the city of Alexandria, and as both holders, they have a far greater interest in that enterprise, because upon it largely depend the commerce and manufactures of the district, and its ability to procure fuel and produce at low rates.

"I took into and attend to these important matters it was decided to ask the stockholders to place one of our commissioners upon the board of the canal company. In that you fully concurred, and authorized me to ask it also in behalf of the United States.

"At the meeting it was found that of the votes cast the state of Maryland hold a majority of all, while the general government

portunity of all, while the general government was in session, to be elected by the people of the State of Maryland one-third. The stock of the state of Maryland is voted by the board of public works of that state—comprising the governor, treasurer, and comptroller. I was told that there were three classes separately, to determine for themselves who would be elected to the board of directors, and that whoever received the most votes must necessarily be elected; and that if I had any request to make in behalf of the minority I must make it to that board before the meeting of the directors. I was accordingly directed. I explained to them the great interest taken in the welfare of the canal by the District of Columbia, both on account of being a stock and bondholder, and of the dependence of our prosperity upon the success of the canal, saying that in the judgment of those I represented, as they held nearly one third of the stock, it was only fair that they should have the right to elect those who manage the affairs of the canal; but learning that a similar proposition had been previously

ing that a similar proposition had been partially rejected by the board of public works in Maryland the year before, we moderated our request, and asked to name one of the seven, and that he be one of the commissioners for the district; that we were indifferent which one was named, and that the rightmost had

one was named, and they might select, but I proposed Gen. West or Maj. Lydecker; they either, if selected, would do all in his power to promote the success of the canal, as this was one of our most important duties according to earnest wishes. That, as Maj. Morgan was made a director last year upon a similar request, we had assumed that we would not be refused now. I was answered that they had placed Maj. Morgan on the canal board, not to comply with that request, but on account

The board of public works thereupon, after retiring for consultation, nominated a board of directors, which included neither Maj. Morgan nor neither of the commissioners of the district, but did include Hon. J. G. Beane, of the Senate, and Hon. J. C. Ferguson, of the House of Representatives. At the next open meeting, in the name of the people of the State and of the district, renewed my request, giving substantially the reasons stated above. One of the board of public works thereupon said, "If we had been content to name Maj. Morgan they would have agreed to it, but his associate produced a letter from Governor McQueen in which he declined to serve. I stated that if the board of public works wished Maj. Morgan or others to be the directors, we would vote for them, but that if we wished to name one director on our own account, who would give his time and energy

attention to the affairs of the canal in a way that would satisfy us; that it was not satisfactory to us that the majority named a resident of Washington, who would be merely nominal director for them, or who did not expect to give the affairs of the company his

expect to give the affairs of the company the earnest attention our nominee would. The answer was, as we did not name the man suggested by them they would disregard our request and elect their own ticket, which they did. Thus the holders of nearly one-third of the stock could have no representation upon the board. They must give up their own ideas and wishes and be wholly subservient to those who cast the vote for Maryland. The right of a minority was simply to obey orders. This seemed to me to be so unfair, so contrary to usage among joint stock companies that I could not agree to it and so the case

that I could not agree to it, and as the alternative, I cast the votes of the United States and district for Gen. West in behalf of the minority, at the same time voting in others thought to be satisfactory to the board of public works. I have to report what is generally known, that the affairs of the canal company are not in a good condition. I learned at the meeting, that for the year ending December, 1882, the expenses of the company were about \$40,000 above its receipts, and that the Baltimore and Ohio Railroad company had overcome the natural disadvantages of a railway as compared with water.

navigation so as to be successful rival and competitor of the canal company. I am sufficiently acquainted with the past management of the two companies to point out the causes that have wrought the marked difference in their financial results. It is common fame that the railway company while gradually diminishing its rates, has proudly brought its stocks and bonds to high premium, while the canal company makes a showing like a gigantic spending of millions of stock made worthless, long years of unpaid interest on its bonded debt, doubtful value, and discouraged creditors (penalizing the public) to condemn the management to take that which would otherwise be known as a real estate.

Such prosperity of one company and pitiful bankruptcy of the other would not seem to be due to the nature of the two enterprises and the minority, while they do not venture to call in question the wisdom of nationalization, through an intervening body more interested possibly in other matters, do ask for greater business vigilance in economy, and do protest against the arbitrary use of power against the minority so deeply interested in the success of the enterprise.

The interests of the people of Maryland and of the district are identical. Success or failure for one is the same for the other. B